

USAID/Russia
ANNUAL REPORT FY 2003

3/13/2003

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A. Program Level Narrative

Program Performance Summary:

Country setting and key achievements

In 2002, Russia's GDP growth rate slowed to a projected 4.1 percent, compared to 5.0 percent in 2001. Administrative barriers and the lack of a fully functioning banking system continue to retard business growth, especially among small and medium-sized firms, and there are increasing concerns that the economy is overly concentrated in extractive natural resource industries. However, momentum continued for key economic reforms, including those needed for WTO accession, combating money laundering and promoting small business development. USAID-funded Russian think tanks have played a major role in preparing analyses and legislation vital to economic reform. In 2002, these think tanks prepared 43 analyses that were incorporated into legislation and policy initiatives of the Russian government (GORF), and one USAID grantee developed and ensured Duma passage of five deregulation measures to substantially decrease administrative burdens on Russian small businesses and entrepreneurs. Another grantee's efforts led to changes in the Customs Code necessary for WTO accession, clarified significant tax issues related to petroleum production sharing agreements, and reducing the tax burden on small business.

Implementation and monitoring of deregulation reforms at the national level and across Russia's 89 administrative regions remain a daunting task, but one that must be followed through if small and medium-size businesses (SMEs) are to realize the benefits from the reform effort. In 2002, USAID initiated a new activity, complementing a similar activity managed by the Eurasia Foundation, to strengthen the capacity of regional business associations to advocate for their needs. These efforts by business associations, as well as complementary USAID and World Bank assistance to local governments, will lead to an improved business and investment climate for SMEs.

The other major limiting factor on SME growth is lack of access to capital. This constraint is starting to change. With the appointment of new leadership in the Central Bank, including a senior director of the USAID-supported Financial Services Volunteer Corps (FSVC), banking reform is finally beginning to gain traction. Meanwhile, the FSVC assisted the Russian government and the Central Bank to develop legislation on deposit insurance, bank bankruptcy and currency regulation. USAID's programs also realized an explosion in new lending through non-bank financial institutions: the cumulative number of loans and the amount lent doubled over 2001 to 73,000 and \$73 million respectively, with over 70 percent of the loans going to women-owned businesses. On Sakhalin Island in the Russian Far East, competition from non-bank financial institutions has prompted some commercial banks to lower their minimum loan amount to target the needs of SMEs. Under another project, USAID signed two new agreements with commercial banks to guarantee 50 percent on the net loss of loans made to the small business sector. In the past year, these banks issued 200 loans totaling \$7.5 million. The EBRD's small business bank is also quite active in meeting the need for loan capital and there are recent indications that the World Bank may provide substantial additional capital for small business development.

Progress on the democracy front was mixed, reflecting, in part, the ongoing struggle between proponents of broad participation and the Russian government's pursuit of managed democracy. There were also continued human rights abuses, particularly in Chechnya, and growing signs of religious intolerance towards non-Orthodox faiths. Democratic institutions are still weak, even as their capacity and opportunities for networking and participation in decision-making increase. The civil society-government Civic Forum in late 2001 led to similar civic forums at the regional level across the country. USAID's partners were leaders in the national and regional forums, and some have benefited from their participation. The Siberian Civic Initiatives Support Center, for example, launched 20 grant rounds over the past year using funding from local governments and USAID financing for administration.

The independent media continued to struggle to remain independent of state influence, particularly in the aftermath of the October hostage crisis in Moscow. The news was not all bad, however. The sources of non-state information have increased and improved over the past year, with 50 percent of citizens in

selected regions now having access to non-state and public affairs broadcasting, and non-state regional television stations have become an established source of news. The quality of the regional media is also improving with more media outlets using the Internovosti news exchange program. USAID's work in the development of the independent media was given high profile when Internews, a USAID grantee, organized the Russian-American Media Entrepreneurship Dialogue (RAMED) leading up to the May Presidential Summit in Moscow. RAMED spun off an unprecedented self-examination by the Russian media of their political, managerial and regulatory constraints, leading to the establishment of a high-level lobbying group for the leading Russian media.

The Putin Administration continued to make legal and judicial reform a high priority, resulting in the enactment in 2002 of a new Civil Procedure Code and the Law on Advocates, among others. Jury trials, which were first piloted in Russia under a USAID activity, are now to be phased in nationwide over the next three years. For the first time, and building on USAID activities, the discipline of judges was open and transparent as a result of the publication of disciplinary actions by the Supreme Qualifying Collegium. Meanwhile, USAID has shifted its human rights program from monitoring to expand support for activists, issuing three grants to Russian human rights organizations in 2002.

Throughout the Russian Federation, particularly outside of Moscow, basic public services and infrastructure, including heat in winter, are in a deplorable condition, contributing to poverty, limited economic opportunity and serious health problems. The problems reflect bad choices made during the communist era, but also continuing inefficiencies in the provision of services and the lack of resources available to deliver them, and lack of public participation in decision making at the local level. In 2002, President Putin appointed a commission to define the division of responsibility and authority among federal, regional and local governments. While the focus is on technocratic issues ranging from intergovernmental fiscal relations, funded and unfunded mandates for the delivery of services, and ownership of revenues from mineral extraction, the commission's deliberations could have far-reaching impact on Russia's governance structure and the balance of power between the center and periphery, between regional and local governments, and between government officials and citizens. Three USAID partners -- the Institute for Urban Economics, the Fiscal Policy Center, and the Institute for the Economy in Transition -- are active participants on the commission, helping to define its conclusions and monitor its progress.

Even as this national policy work continues, USAID is working with regional and local governments through various mechanisms to strengthen their ability to meet the needs of their citizenry, while increasing opportunities for citizen participation and strengthening regional and local governments as a counterweight to over-centralization. The Institute for Urban Economics is currently working with 30 cities to adopt a comprehensive set of reforms and, through the Institute's efforts, 79 cities of different types and sizes have adopted community-based strategic planning. The Center for Fiscal Policy, which took the lead in the commission on developing recommendations for intergovernmental fiscal reform, developed a formula for objective revenue transfers between regions and municipalities that has been adopted by 25 regions, a 56 percent increase over last year.

Health trends in Russia are of continuing concern. Russia has one of the world's highest rates of growth in new HIV infections, a statistic that has serious implications for the country's future. Recent studies have pointed to the potential for the HIV/AIDS pandemic to undermine Russia's economic growth, generate regional political instability and overtax Russia's health care and social service systems. The ongoing tuberculosis epidemic and declining life expectancy of the general population, due in large part to unhealthy lifestyles, are also worrisome trends.

However, there is room for optimism. Russian government adoption of international protocols for treating tuberculosis is a major step forward in combating that epidemic and builds on models introduced by USAID. Recent international attention and well coordinated donor initiatives are beginning to raise awareness of the need to combat the HIV/AIDS pandemic. In August the Russian government approved a \$200 million, four-year program to reform child welfare in Russia. This change in favor of modern foster care, instead of institutionalization, represents the beginning of the end of the orphan problem in Russia. The program builds on investment by several foreign donors and foundations and adopts a model

pioneered by a USAID grantee. The Ministry of Health and USAID are working together on national dissemination of cost-effective approaches to improve the quality of primary health care services, piloted in two regions; 30 regions have already volunteered to participate. USAID's Healthy Russia 2020 project, launched in FY2002 and designed to leverage substantial resources and participation from a wide range of Russian and international partners, will play an important role in broadening dissemination of these successes and reversing Russia's deteriorating health trends.

Important Challenges

USAID's program resources are quite limited relative to Russia's large population, vast physical expanse and the complexity of the issues that our programs address. This has posed a major challenge to our ability to have a significant and lasting impact on the country, and led us to emphasize two key approaches in our program design. First, taking advantage of Russia's highly educated population, we have focused on introducing models that would address the country's most pressing problems. The expectation has been that successful models would be disseminated and replicated to the rest of the country. While many of these models -- from municipal finance and strategic planning to tuberculosis control, health care delivery, real estate markets, targeting of social services, child welfare, non-bank and bank financing of SMEs, news exchange systems, public-private partnerships to combat corruption, and so forth -- have been highly successful, there is a need to focus more resources on disseminating and replicating these successes to the rest of the country. For example, the new health program, Healthy Russia 2020, has the principal objective of using communication and networking strategies to broaden awareness and catalyze implementation of successful preventive health models across the country.

The other approach has been to build Russian institutions that will continue the momentum of Russia's transition, while adapting to the country's needs, long after USAID's programs end. After ten years in Russia, USAID has successfully supported Russian efforts to create and strengthen such institutions. To name just two examples, the Institute for Urban Economics and the Fiscal Policy Center, both of which were created through USAID activities, are playing important roles at the national, regional and municipal levels in shaping the future direction of the country. The challenge remaining is to ensure that such key partner institutions are fully sustainable, while continuing to support and strengthen other Russian institutions that have a longer way to go.

Conflict

The ongoing conflict in Chechnya has had a disruptive impact on the North Caucasus region, and to Russia more generally, as evidenced by the recent hostage-taking incident in Moscow. With the exception of limited flood disaster assistance and coordination with ongoing humanitarian assistance managed by the State Department's Bureau for Refugee Programs, the North Caucasus region has not been a focus of USAID's programs. However, in response to concerns about human rights violations in the region, USAID included the North Caucasus in a new human rights program launched in FY 2002, and issued one of the first three grants under the program to a Russian NGO working in that region.

Gender

In USAID/Russia's strategy amendment, gender considerations -- particularly the needs of women -- were identified as critical to the achievement of all of the mission's objectives. For example, even though women represent a high percentage of the beneficiaries of the SME finance programs, their participation drops quickly as loan sizes rise. Women are almost exclusively the victims of human trafficking and domestic violence, and men are underrepresented in civil society organizations. Life expectancy in Russia is the lowest in Europe, and the gap between men and women, 12 years, is the largest in the world, due primarily to unhealthy lifestyles. Men are also overwhelmingly the victims of tuberculosis.

For the past 18 months, the Mission's efforts to increase awareness and understanding of gender issues have been greatly enhanced by the dedicated efforts of a gender fellow. With her leadership, the need to take gender issues into account has been incorporated into all new activities and scopes of work. She

has also conducted training for Mission staff and partners. Her comprehensive analysis of gender issues in the Mission's programs is an important resource for guiding implementation of the Mission's strategy.

Building trade capacity

Building trade capacity is not an explicit objective of the Mission's program, but several elements do contribute to expanding Russia's trade capacity. Analyses by USAID-funded Russian think tanks have contributed to the government's efforts to prepare for WTO accession and regional governments' efforts to create a better environment for foreign investment. Both our small business program and our environment activities are supporting efforts by Russian businesses to comply with international standards international accounting standards (ISO 9000 and ISO 14000) for Russian firms to participate in the global marketplace. Our environment program has facilitated the participation of Russian firms producing non-traditional forest products to participate in international trade shows; one consortium won a contract for \$900,000 to export 300 metric tons of honey per year beginning 2003. Our support for the Alaska-Sakhalin Working Group is building trade capacity by supporting efforts to improve air travel services and environmental management of the oil and gas sector. USAID also continues to support the American Business Center on Sakhalin Island, a USG effort to facilitate investment by U.S. firms on the island.

Environmental Compliance: All Mission strategic objectives have a complete set of the necessary Initial Environmental Examinations (IEEs) covering all programs in their portfolios, and systems for monitoring are in place for activities that did not receive Categorical Exclusions. At least one person in each Office has been completely trained to be able to complete IEEs for all future activities as necessary. All cooperators and contractors responsible for implementing the Mission's large environmental programs were apprised of their responsibilities, particularly when monitoring subgrants.

Plans for new or amended Initial Environmental Examinations or Environmental Assessments:

118-0131: IEE in Spring 2003 covering:

- New activity to strengthen SMEs in the Russian Far East
- New activity of North Sakhalin SME Credit
- The Investment Strategy activity will add one or two regions

118-0211: IEE in Spring 2003 covering:

- New activity for independent information
- Democratic Leader Training follow-on
- New activity in NGO strengthening
- New activity in civic education and tolerance

118-0321: IEE in Spring 2003 covering the extension or follow-on to two ongoing health activities.

Country Closeout & Graduation: USAID/Russia is preparing a graduation strategy for FREEDOM Support Act-funded programs in Russia. That strategy will follow the broad policy parameters -- including budget levels and timing -- to be issued by the Department of State.

D. Results Framework

118-0130 Accelerated Development and Growth of Private Enterprises

IR 13.1 Policies, legislation and regulations conducive to broad-based competition and private sector growth adopted

IR 13.2 Successful models of private ownership and modern management widely replicated

IR 13.2.1 Workable models for new and restructured firms to compete in a market economy are created

IR 13.3 Sustainable network of business support institutions (BSIs) rendering services to entrepreneurs and enterprises

Discussion: This SO was superseded by SO 118-0131 following the approval of the "USAID/Russia Strategy Amendment 1999-2005" in March 2002.

118-0131 Small and Medium-size Enterprise Sector Strengthened and Expanded

SO Level Indicator: Percentage of GDP represented by the SME sector

IR 131.1 Policy Environment for Small and Medium Enterprises Strengthened

IR 131.2 Access to Finance for Small and Medium Enterprises Increased

IR 131.2.1 Policy Environment for Non-Bank Financial Institutions Providing Services to SMEs Improved

IR 131.2.2 Financial Services to SMEs Expanded

IR 131.3 High Quality Business Services to SMEs Strengthened and Expanded

IR 131.4 More Students Educated in Business Practices, Civics and Ethics

Discussion: The framework above reflects adjustments to the framework approved in March 2002 as part of the amended strategy. The adjustments were made to enhance the quality and clarity of some intermediate results. The changes are listed in the Cover Memo.

118-0140 Improved Economic Infrastructure to Support Market-Oriented Growth

IR 14.1 Tax system fair and efficient

IR 14.1.3 Objective criteria and system developed for transfer of resources from center to regions and from regions to municipalities

IR 14.2 Legal and regulatory framework for the financial sector established and strengthened

IR 14.3 International Accounting Standards properly match revenues and expenses to improve existing operations and make financial reporting transparent for banking sector supervision

IR 14.4 Economic think tanks' analytical and policy advice capabilities strengthened to support sound policy formulation

Discussion: This SO was superseded by SO 118-0141 following the approval of the "USAID/Russia Strategy Amendment 1999-2005" in March 2002.

118-0141 Market-Oriented Reforms Developed and Implemented in Selected Sectors

SO Level Indicator: Ratio of commercial bank domestic lending to GDP

SO Level Indicator: Russia enters WTO

SO Level Indicator: Tax collections

IR 141.1 Independent Russian Economic Think Tanks Strengthened

IR 141.2 Resources to Russian Businesses and Entrepreneurs Efficiently Channeled by Banking Sector

IR 141.3 Business Environment for Trade and Investment Improved

IR 141.4 Fiscal Policies Developed and Adopted Improved

Discussion: The framework above reflects adjustments to the framework approved in March 2002 as part of the amended strategy. The adjustments were made to enhance the quality and clarity of some intermediate results. The changes are listed in the Cover Memo.

118-0160 Increased Environmental Management Capacity to Support Sustainable Economic Growth

- IR 16.1 Increased capacity to deal with environmental pollution as a threat to public health
- IR 16.2 Improved management of natural resources and biodiversity protection
- IR 16.3 Improved economic mechanisms for natural resources management and environmental protection

Discussion: This SO was superseded by SO 118-0161 following the approval of the "USAID/Russia Strategy Amendment 1999-2005" in March 2002.

118-0161 Environmental Resources Managed More Effectively to Support Economic Growth

SO Level Indicator: Number of improved environmental practices adopted in targeted regions

- IR 161.1 Eco-Businesses in Targeted Sectors Strengthened
- IR 161.2 Operating Efficiency of Businesses Adopting Environmentally Friendly Practices Improved
- IR 161.3 Practices that Improve the Environmental Quality of Services Adopted by Municipalities
- IR 161.4 Forestry Management Practices Strengthened
- IR 161.5 Public Participation to Improve Environmental Resources Management Increased

Discussion:

118-0210 Increased, Better Informed Citizens' Participation in Political and Economic Decision-Making

- IR 21.2.2 More programming produced and broadcast by independent TV stations in the regions
- IR 21.3 NGO sector provides alternative to ballot box for participating in economic and political decision making
 - IR 21.3.1 NGOs advocate more effectively for members needs/interests
- IR 21.1 Free and fair elections administered nationally and locally
- IR 21.2 Increased public access to information which is needed for informed political and economic choices

Discussion: This SO was superseded by SO 118-0210 following the approval of the "USAID/Russia Strategy Amendment 1999-2005" in March 2002.

118-0211 A More Open, Participatory Society

SO Level Indicator: Citizen participation index

SO Level Indicator: Number of volunteers in selected regions

- IR 211.1 Sources of Non-State Information that are Accessible to the Public Increased and Improved
 - IR 211.1.1 Public Information Provided through NGOs Increased
 - IR 211.1.2 Access to Legal Protection for Media Increased
 - IR 211.1.3 Business, Professional, and Ethics Practices in the Media Sector Strengthened
 - IR 211.1.4 Public Interest Information Available on the Internet Increased
- IR 211.2 Civil Society and Advocacy Institutions Strengthened
 - IR 211.2.1 Cooperation between NGOs, Government, and Business for Public Purposes Increased
 - IR 211.2.2 Citizens' Interests More Efficiently Represented
 - IR 211.2.3 Financial, Organizational, and Outreach Capacity Increased
- IR 211.3 Democratic Culture for Citizen Participation Strengthened
 - IR 211.3.1 Civic Education Programs for Youth Improved
 - IR 211.3.2 Patterns of Volunteerism, and Charitable Giving Strengthened
 - IR 211.3.3 Number of Citizens Participate in Direct Action Activities Increased

Discussion:

118-0220 Strengthened Rule of Law and Respect for Human Rights

- IR 22.1 Independent Russian judiciary

- IR 22.1.2 Judicial department functions as intended by legislation
- IR 22.2 Judicial decisions are uniform, predictable and made without delay
- IR 22.3 Competent counsel available in Russia
- IR 22.4 Presence of the enforcement service induces better execution of civil judgments
- IR 22.5 Effective advocacy for adherence to international human rights commitments increased

Discussion: This SO was superseded by SO 118-0221 following the approval of the "USAID/Russia Strategy Amendment 1999-2005" in March 2002.

118-0221 Legal Systems Strengthened

SO Level Indicator: Diversity of cases brought

SO Level Indicator: Poll results on public and professionals' confidence in legal procedures

- IR 221.1 Public Awareness of Legal Rights Increased
- IR 221.2 More Lawyers Skilled in Representing Clients
- IR 221.3 Judicial System More Transparent, Independent and Efficient

Discussion:

118-0231 Local Governance Made More Responsive and Accountable

SO Level Indicator: Citizen satisfaction with local governance performance

- IR 231.1 Local Governments More Effective in Managing Resources
 - IR 231.1.1 Local Officials More Knowledgeable and Skilled in Democratic Governance
 - IR 231.1.2 Local Financial Management Practices are Improved
 - IR 231.1.3 Local Policies and Procedures Developed and Adopted to Stimulate Economic Growth
- IR 231.2 Local Governments Operate in Sustained Partnership with Their Communities
- IR 231.3 Equity, Effectiveness, and Efficiency in the Delivery of Goods and Services Increased
- IR 231.4 Legal Environment Improved for Governments to Be More Responsive and Accountable

Discussion: The framework above reflects adjustments to the framework approved in March 2002 as part of the amended strategy. The adjustments were made to enhance the quality and clarity of some intermediate results. The changes are listed in the Cover Memo.

118-0320 Improved Effectiveness of Selected Social Benefits and Services

- IR 32.1 New approaches to service delivery adopted
- IR 32.2 Increased use of improved and effective responses to reduce the transmission of selected major infectious diseases and to mitigate the impact of epidemics resulting from these diseases
- IR 32.3 Increased capacity of local governments to mobilize resources and provide goods and services on a sustainable basis

Discussion: This SO was superseded by SO 118-0321 following the approval of the "USAID/Russia Strategy Amendment 1999-2005" in March 2002.

118-0321 Use of Improved Health and Child Welfare Practices Increased

SO Level Indicator: Abortion rates in demonstration sites

SO Level Indicator: Number of children at risk of institutionalization remaining in family care in demonstration sites

SO Level Indicator: Percentage of population in Russia with access to international approach for tuberculosis treatment and control

- IR 321.1 Access to More Effective Primary Health Care Services Increased
 - IR 321.1.1 Use of Evidence-Based Practices in Women/Infant's Health and Non-Communicable Chronic Diseases Increased
 - IR 321.1.2 Quality Improvement Methodologies Applied to Primary Health Care
 - IR 321.1.3 Health Financing Redirected to Primary Health Care (other donors)

IR 321.2 Improved Prevention and Control Practices Adopted to Reduce the Spread of HIV/AIDS, TB and STDs

IR 321.3 Demand for Preventive Health by Individuals, Communities and Decision-Makers Increased

IR 321.3.1 Awareness of Preventive Health Care Benefits Increased

IR 321.3.2 Capacity to Mobilize for Preventive Health Increased

IR 321.3.3 Multi-Sectoral Networks Established to Promote Health

IR 321.4 New Child Abandonment Prevention Models and Policies Implemented

Discussion: The framework above reflects adjustments to the framework approved in March 2002 as part of the amended strategy. The adjustments were made to enhance the quality and clarity of some intermediate results. The changes are listed in the Cover Memo.

118-0410 Special Initiatives

Discussion:

118-0420 Program Support

Discussion:

Selected Performance Measures - Russia

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| Indicator (all data should pertain to FY or CY 02) | OU Response | | | Significant Result: Description of the significant result for a strategic objective | Data Quality Factors: Information relevant to the collection of this indicator data, e.g. "this data was not collected last year because it is only collected every five years." |
|--|-------------|--|--|---|--|
| Pillar I: Global Development Alliance | | | | | |
| Did your operating unit achieve a significant result working in alliance with the private sector or NGOs? | | | | | |
| a. How many alliances did you implement in 2002? (list partners) | 31 | | | | Partners: FSVC, BIN Bank, Center Invest Bank, Russian Bankers' House, Volga region PartNER Program partnerships (5), U.S.-RFE partnership activity partnerships (10), and AIHA partnerships (12). |
| b. How many alliances do you plan to implement in FY 2003? | 32 | | | | |
| What amount of funds has been leveraged by the alliances in relationship to USAID's contribution? | 29719138 | | | | USAID contribution: (Cumulative) BIN Bank (\$187,800), Russian Bankers' House (\$91,000), Center Invest Bank (\$179,000), FSVC (\$4,374,427), Volga region PartNER Program partnerships (5): \$486,000, U.S.-RFE partnership activity partnerships (10): \$954,705. AIHA (9+3) : \$14,535,338 TOTAL: \$ 20,808,270 Partners' contribution: (Cumulative): BIN Bank (\$10,000,000), Russian Bankers' House (\$404,000), Center-Invest Bank (\$1,424,000), FSVC (\$3,293,879), Volga region PartNER Program partnerships (5): \$193,292, U.S.-RFE partnership activity partnerships (10): \$396,082, AIHA (9+3): \$14,007,885. TOTAL: \$29,719,138 |
| Pillar II: Economic Growth, Agriculture and Trade | | | | | |
| USAID Objective 1: Critical, private markets expanded and strengthened | | | | | |
| Did your program achieve a significant result in the past year that is likely to contribute to this objective? | | | | | |
| 118-0131 Small and Medium-size Enterprise Sector Strengthened and Expanded | Yes | | | The Junior Achievement program reached 378,000 students last year with 6,600 teachers and is having a major impact in improving the image of private enterprise in Russia, as well as creating a large cadre of young people who want to engage in business. It brings the cumulative number of students that participate in the Junior Achievement Russia program to over 2 million. | |

| | | | | |
|--|-----|--|--|--|
| 118-0141 Market-Oriented Reforms Developed and Implemented in Selected Sectors | Yes | | | <p>USAID-supported think tanks are contributing significantly to policy reform, deregulation and legislation, including legislation decreasing barriers to SME development and amendments to the Customs Code making it compliant with WTO requirements. Forty-three analyses prepared by USAID-funded think tanks were incorporated into legislation and policy initiatives of the Russian Government, a large increase over 2001. Also, the Mission signed two more Development Credit Authority agreements in 2002, bringing the total number to three. During the year, the three banks issued 200 loans totaling \$7.5 million, a 170% increase over last year. Another significant results is that the Financial Services Volunteer Corps helped the Central Bank develop strict anti-money laundering regulations and carried out seminars for commercial banks on implementation of these new regulations. Enactment of these controls removed Russia from the Financial Action Task Force's watch list for money-laundering and precluded the task force's sanctions.</p> |
|--|-----|--|--|--|

USAID Objective 2: More rapid and enhanced agricultural development and food security encouraged

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

USAID Objective 3: Access to economic opportunity for the rural and urban poor expanded and made more equitable

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

| | | | | |
|---|-----|--|--|---|
| 118-0131 Small and Medium-size Enterprise Sector Strengthened and Expanded | Yes | | | <p>A significant increase in the number of loans to SMEs: cumulative number exceeded 73,000 for the total about \$73 million of which almost 60% were disbursed in the last year. More than 70% of the loans have been made to women-owned businesses. Also, value-added tax on interest paid by small business people to microfinance lenders was eliminated. This allows microfinance institutions to be on equal footing with commercial banks in regard to making business loans.</p> |
|---|-----|--|--|---|

USAID Objective 4: Access to quality basic education for under-served populations, especially for girls and women, expanded

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

| | | | | |
|--|--------|----------|---------|--|
| a. Number of children enrolled in primary schools affected by USAID basic education programs (2002 actual) | 0 Male | 0 Female | 0 Total | |
| b. Number of children enrolled in primary schools affected by USAID basic education programs (2003 target) | Male | Female | Total | |

USAID Objective 5: World's environment protected by emphasizing policies and practices ensuring environmentally sound and efficient energy use, sustainable urbanization,

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

| | | | | |
|--|--------|--------|-------|--|
| 118-0161 Environmental Resources Managed More Effectively to Support Economic Growth | Yes | | | Using a new method to predict and control forest pest outbreaks, associated costs have been reduced by 80% in pilot regions. This helps to protect forests in the US, which can be damaged when pests are transported to America during trade transactions. It also contributes to the global climate change initiative because forest health is important as Russia accounts for 22% of the world's carbon (land-based) sink. |
| a. Hectares under Approved Management Plans (2002 actual) | 201300 | | | |
| b. Hectares under Approved Management Plans (2003 target) | 201300 | | | |
| Pillar III: Global Health | | | | |
| USAID Objective 1: Reducing the number of unintended pregnancies | | | | |
| Did your program achieve a significant result in the past year that is likely to contribute to this objective? | | | | |
| Percentage of in-union women age 15-49 using, or whose partner is using, a modern method of contraception at the time of the survey. (DHS/RHS) | % | | | There was no DHS in Russia. |
| USAID Objective 2: Reducing infant and child mortality | | | | |
| Did your program achieve a significant result in the past year that is likely to contribute to this objective? | | | | |
| 118-0321 Use of Improved Health and Child Welfare Practices Increased | No | | | |
| Percentage of children age 12 months or less who have received their third dose of DPT (DHS/RHS) | Male | Female | Total | There was no DHS in Russia. This indicator is not relevant for USAID/Russia's Health Program. |
| Percentage of children age 6-59 months who had a case of diarrhea in the last two weeks and received ORT (DHS/RHS) | Male | Female | Total | There was no DHS in Russia. This indicator is not relevant for USAID/Russia's Health Program. |
| Percentage of children age 6-59 months receiving a vitamin A supplement during the last six months (DHS/RHS) | Male | Female | Total | There was no DHS in Russia. This indicator is not relevant for USAID/Russia's Health Program. |
| Were there any confirmed cases of wild-strain polio transmission in your country? | No | | | |
| USAID Objective 3: Reducing deaths and adverse health outcomes to women as a result of pregnancy and childbirth | | | | |
| Did your program achieve a significant result in the past year that is likely to contribute to this objective? | | | | |
| 118-0321 Use of Improved Health and Child Welfare Practices Increased | Yes | | | The Ministry of Health joined with USAID to launch a federal program to disseminate cost-effective maternal child health interventions. This program was tested in 42 hospitals by 500 primary care physicians in two pilot regions. 30 regions have applied and offered to partially fund the program in their area. |

| | | | | | |
|---|---------|-----------|----------|--|---|
| Percentage of births attended by medically-trained personnel (DHS/RHS) | % | | | | There was no DHS in Russia. This indicator is not relevant for USAID/Russia's Health Program. |
| USAID Objective 4: Reducing the HIV transmission rate and the impact of HIV/AIDS pandemic in developing countries | | | | | |
| Did your program achieve a significant result in the past year that is likely to contribute to this objective? | | | | | |
| 118-0321 Use of Improved Health and Child Welfare Practices Increased | No | | | | |
| a. Total condom sales (2002 actual) | | | | | The target for two project regions in 2002 is 400,000. Actual data will be available after the end of 2002 calendar year. |
| b. Total condom sales (2003 target) | 800000 | | | | In addition to USAID on-going activities, a new activity in St.Petersburg will be started in 2003. An estimated number of 200,000 condoms will be sold there and increase the target to 1mln. |
| National HIV Seroprevalence Rates reported annually (Source: National Sentinel Surveillance System) | 0,14% | | | | 207,711 HIV cases laboratory confirmed, or 0.14% of total population of Russia, or 143,4 per 100.000 population (Data as of 30.6.2002 by USAID funded survey). |
| Number of sex partners in past year (Source: national survey/conducted every 3-5 years)per DHS or other survey) | 2.4 | | | | 2.4 (Male) and 1.4 (Female), Data based on USAID funded survey in one region, Saratov, 2002. |
| Median age at first sex among young men and women (age of sexual debut) ages 15-24 (Source: national survey/conducted every 3-5 years) per DHS or other survey) | 16 Male | 17 Female | 33 Total | | USAID funded survey. 16 y.o. (male), 17 y.o. (female), Data based on USAID funded survey in one region, Saratov, 2002. |
| Condom use with last non-regular partner (Source: national survey/conducted every 3-5 years)per DHS or other survey) | 70.50% | | | | USAID funded survey. 70.5%, Data based on USAID funded survey in one region, Saratov, 2002. |
| Number of Clients provided services at STI clinics | | | | | We don't track this indicator. |
| Number of STI clinics with USAID assistance | 1 | | | | Sanam Clinic in Moscow. |
| Number of orphans and other vulnerable children receiving care/support | | | | | |
| Number of Orphans and Vulnerable Children programs with USAID assistance | 144 | | | | 144 activities provide support/care for 10,000 children. 1,403 children remained in families as a result of USAID activities. |
| Number of community initiatives or community organizations receiving support to care for orphans and other vulnerable children | 84 | | | | 84 community organizations involved in child welfare services; not exclusively HIV/AIDS-related |
| Number of USAID-supported health facilities offering PMTCT services | | | | | This indicator is not currently applicable to USAID assistance in Russia. |

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| Number of women who attended PMTCT sites for a new pregnancy in the past 12 months | | | | This indicator is not currently applicable to USAID assistance in Russia. |
| Number of women with known HIV infection among those seen at PMTCT sites within the past year. | | | | This indicator is not currently applicable to USAID assistance in Russia. |
| Number of HIV-positive women attending antenatal clinics receiving a complete course of ARV therapy to prevent MTCT (UNGASS National Programme & Behavior Indicator #4) | | | | This indicator is not currently applicable to USAID assistance in Russia. |
| Number of individuals reached by community and home-based care programs in the past 12 months | | | | |
| Number of USAID-assisted community and home-based care programs | 1 | | | |
| Number of clients seen at Voluntary Counseling and Testing (VCT) centers | | | | This indicator is not currently applicable to USAID assistance in Russia. |
| Number of VCT centers with USAID assistance | 0 | | | This indicator is not currently applicable to USAID assistance in Russia. |
| Number of HIV-infected persons receiving Anti-Retroviral (ARV) treatment | | | | This indicator is not currently applicable to USAID assistance in Russia. |
| Number of USAID-assisted ARV treatment program | | | | This indicator is not currently applicable to USAID assistance in Russia. |
| a. Number of individuals treated in STI programs (2002 actual) | 0 Male | 0 Female | 0 Total | This indicator is not currently applicable to USAID assistance in Russia. |
| b. Number of individuals treated in STI programs (2003 target) | 0 Male | 0 Female | 0 Total | This indicator is not currently applicable to USAID assistance in Russia. |
| a. Is your operating unit supporting an MTCT program? | N/A | | | This indicator is not currently applicable to USAID assistance in Russia. |
| b. Will your operating unit start an MTCT program in 2003? | | | | |
| a. Number of individuals reached by community and home based care programs (2002 actual) | 0 Male | 0 Female | 0 Total | This indicator is not currently applicable to USAID assistance in Russia. |
| b. Number of individuals reached by community and home based care programs (2003 target) | 0 Male | 0 Female | 0 Total | This indicator is not currently applicable to USAID assistance in Russia. |
| a. Number of orphans and vulnerable children reached (2002 actual) | Male | Female | Total | |
| b. Number of orphans and vulnerable children reached (2003 target) | 0 Male | 0 Female | 0 Total | New activity to address the issue has been just started. Target will be set up later. |
| a. Number of individuals reached by antiretroviral (ARV) treatment programs (2002 actual) | 0 Male | 0 Female | 0 Total | This indicator is not applicable to USAID assistance in Russia. |

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|--|--------|----------|---------|--|---|
| b. Number of individuals reached by antiretroviral (ARV) treatment programs (2003 target) | 0 Male | 0 Female | 0 Total | | This indicator is not applicable to USAID assistance in Russia. |
| USAID Objective 5: Reducing the threat of infectious diseases of major public health importance | | | | | |
| Did your program achieve a significant result in the past year that is likely to contribute to this objective? | | | | | |
| 118-0321 Use of Improved Health and Child Welfare Practices Increased | Yes | | | On the basis of pilot programs supported by USAID, the Ministry of Health approved a new protocol for treatment of multi-drug-resistant tuberculosis and the first federal guidelines using internationally accepted approaches to tuberculosis treatment in the Russian Federation. USAID helped draft federal guidelines on tuberculosis treatment, the first guidance issued since 1995, by working with other donors through a High Level Working Group on Tuberculosis Control in the Russian Federation. | |
| a. Number of insecticide impregnated bed-nets sold (Malaria) (2002 actual) | | | | | This indicator is not applicable to USAID assistance in Russia. |
| b. Number of insecticide impregnated bed-nets sold (Malaria) (2003 target) | | | | | This indicator is not applicable to USAID assistance in Russia. |
| a. Proportion of districts implementing the DOTS Tuberculosis strategy (2002 actual) | 29% | | | | This percentage represents 26 out of 89 regions in Russia. USAID is funding the programs in 7 regions out of 26 that implement the DOTS Tuberculosis strategy. |
| b. Proportion of districts implementing the DOTS Tuberculosis strategy (2003 target) | 31% | | | | This percentage represents 28 out of 89 regions in Russia. USAID will be funding programs in 8 regions out of 28 that implement the DOTS Tuberculosis strategy. |
| Pillar III: Democracy, Conflict and Humanitarian Assistance | | | | | |
| USAID Objective 1: Strengthen the rule of law and respect for human rights | | | | | |
| Did your program achieve a significant result in the past year that is likely to contribute to this objective? | | | | | |
| 118-0221 Legal Systems Strengthened | Yes | | | The Supreme Qualifying Collegium widely distributed and posted on the Internet a first-time publication reporting on ethical violations by judges and resulting disciplinary actions. | |
| USAID Objective 2: Encourage credible and competitive political processes | | | | | |
| Did your program achieve a significant result in the past year that is likely to contribute to this objective? | | | | | |
| 118-0211 A More Open, Participatory Society | Yes | | | The League of Women has expanded its network to 20 partner organizations and trained more than 1,000 observers over the past year. The NDI-created domestic election observation coalition, VOICE, expanded its network to 16 regions with more than 1,200 observers trained. The coalition observed six local elections over the past year and gradually increased its capacity to monitor and highlight such abuses. | |

USAID Objective 3: Promote the development of politically active civil society

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

| | | | | |
|---|-----|--|--|---|
| 118-0211 A More Open, Participatory Society | Yes | | | USAID exceeded its target of 50% of the citizens in selected regions having access to non-state and public affairs broadcasting. Moreover, the quality of regional media is improving and enabling small, regional television stations to have access to news stories from other independent stations. Another significant result is that during the USAID supported Siberian Center's week of charity, more than 95,000 people volunteered to clean up parks, schools, and participate in other community projects. This represents a significant increase from the previous year when only 23,000 people volunteered. |
|---|-----|--|--|---|

USAID Objective 4: Encourage more transparent and accountable government institutions

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

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|--|-----|--|--|--|
| 118-0141 Market-Oriented Reforms Developed and Implemented in Selected Sectors | Yes | | | The number of Russian regions allocating budget revenues to municipalities via the USAID supported Fiscal Policy Center's revenue transfer formula increased from 15 to 25. In addition, regions eliminated 24 unfunded mandates, almost a three-fold increase from 2001. |
| 118-0231 Local Governance Made More Responsive and Accountable | Yes | | | With help from the Institute for Urban Economics, five cities instituted sustainable strategic planning this year, with strong community involvement, as a tool for decision-making about resource allocation and economic growth. In all, 79 cities are using strategic planning based on IUE's model to guide their social and economic development. |

USAID Objective 5: Mitigate conflict

Did your program in a pre-conflict situation achieve a significant result in the past year that is likely to contribute to this objective?

Did your program in a post-conflict situation achieve a significant result in the past year that is likely to contribute to this objective?

| | | | | |
|---|------|--------|-------|--|
| Number of refugees and internally displaced persons assisted by USAID | Male | Female | Total | |
|---|------|--------|-------|--|

USAID Objective 6: Provide humanitarian relief

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

| | | | | |
|--|------|--------|-------|--|
| Number of beneficiaries | | | | |
| Crude mortality rates | % | | | |
| Child malnutrition rates | % | | | |
| Did you provide support to torture survivors this year, even as part of a larger effort? | | | | |
| Number of beneficiaries (adults age 15 and over) | Male | Female | Total | |
| Number of beneficiaries (children under age 15) | Male | Female | Total | |